

Launch of the CFTA Negotiations: AU Assembly

15 June 2015 –

Adopted

- The Draft Declaration on the launch of Negotiation for the establishment of the CFTA
- The objectives and principles for Negotiating the CFTA
- The indicative Roadmap for the Negotiation and establishment of the CFTA
- The Terms of Reference for the CFTA Negotiating Forum (CFTA-NF)
- The institutional arrangements for the CFTA Negotiation

This follows the 18th Ordinary Session of the Assembly of the Union at which the decision to establish the CFTA, and to ‘operationalize’ it by indicative date 2017, was taken

CFTA Objectives (June 2015)

‘Within the broader framework of the Abuja Treaty Establishing the African Economic Community, the objective of launching negotiations for the CFTA is to achieve a comprehensive and mutually beneficial trade agreement among the Member States of the African Union...’

More specific objectives

- Enhance competitiveness at all levels.....
- ..accelerate the growing diversification and dynamism of intra-African trade..
- ..in the context of boosting intra-African trade, and realizing the transformational potential of increased trade among African countries, to create a **freer market for goods and services**
- Resolve the challenges of overlapping memberships and expedite the regional and continental integration processes

Bigger Picture - Objectives and Guiding Principles contain references to:

- Boosting intra-African Trade (BIAT)
- Programme for Infrastructure Development in Africa (PIDA)
- Action Plan for Accelerated Industrial Development for Africa (AIDA) – reference to GVCs
- Conference of African Ministers of Industry (CAMI) Workplan

Note: Guiding Principles are listed but not clarified/elaborated

Guiding Principles

- Negotiations shall be MS/REC/Customs territories driven with support and its structures
- RECs FTAs are building blocks for the CFTA
- **(P)reservation of *acquis***
- Variable geometry
- Flexibility, S&D Treatment, Transparency and disclosure of information
- Substantial liberalisation
- MFN Treatment
- National Treatment
- Reciprocity
- Decisions shall be taken by consensus
- Adoption of Best Practices

Refer to TFTA experience (clarification of Negotiating Guidelines – redirecting the TFTA)

Objectives re scope and sequencing of negotiations

Scope: Trade in Goods, Trade in Services, Investment, IPR, Competition Policy

1) Two separate legal instruments (trade in goods, trade in services)

What about trade-related matters – perhaps another/several more legal instruments?

2) Negotiations will be conducted in 2 phases:

- Phase 1: Simultaneous negotiation of trade in goods and trade in services (separate tracks)
- Phase 2: Trade-related issues (competition, investment, IP), negotiations to be undertaken by dedicated structures

What is the status of Objectives (and Guiding Principles) – can they be amended?

Trade in services in the CFTA context

What do we want to achieve through the CFTA (CFTA is not an end in itself)
Trade in services agreement – a means to achieve.....

What is necessary for a CFTA that really addresses the needs of investors, producers, consumers... in the 21st century?

Taking stock:

- services sector developments (sector intelligence needs to be gathered urgently at MS and regional levels)
 - regulatory audits (including institutional regulatory architecture – at MS, regional levels, continental level)
 - economic linkages and relationships (inter-sectoral; goods-services...)
 - policy/regulatory/governance linkages (services regulation/investment/**competition**) – what exists at MS and regional levels?
- TFTA and CFTA services are likely to take place at the same time.....

A TiS Agreement and CFTA that also support integration into the global economy (focus on competitiveness)

CFTA – a modern (21st century FTA?)

Modern FTAs – flexible instrument to respond to 21st production, investment, trade and development priorities – opportunity to shape an agenda appropriate for Africa (recognises policy/regulatory synergies; platform not only for African integration, but also for global integration (emphasis on competitiveness enhancement – keep in mind that competitiveness is the flip-side of development))